

OREGON: Leveling the Playing Field

"In order to make sure we keep jobs here, we've got to be wise about trade policy. . . Presidents before me have decided to open up our markets for goods from overseas. You know why? If you're a consumer and you have more goods to choose from, you're likely to get a better-quality good at a better price. That's the way the market works. And what we ought to be doing in trade is saying, we treat you this way, you treat us equally as well. Open up your markets to U.S. products."

*--President George W. Bush
Beaverton, Oregon*

Free Trade plays a significant role in Oregon's economy. People from all over the world are buying Oregon products, which helps support Oregon's economy and create jobs. And free and fair trade has led foreign companies to invest in Oregon and hire Oregon workers.

- In 2003, Oregon exported \$10.4 billion¹ in goods to 178 foreign markets.²
- One-fourth of all manufacturing jobs in Oregon depend on exports.
- There are 640 foreign companies in Oregon employing 48,800 Oregon workers, and 24% of these are manufacturing jobs.
- With respect to agriculture, Oregon exports were \$705 million in 2003, ranking Oregon as the 25th largest exporting state for agricultural products.

Oregon Benefits from the Bush Administration's efforts to level the playing field: The Bush Administration has worked aggressively to level the playing field for Oregon's manufacturers, farmers, and workers by opening new markets; removing barriers that hurt Oregon's exporters, enforcing our trade laws, combating unfair trade practices and promoting Oregon's exports.

- **Opening New Markets:** The Bush Administration's efforts to open new markets benefit Oregon by:
 - **Expanding markets in China for Oregon's auto makers:** Following the Administrations' high-level discussions with the Chinese, they significantly increased the number of vehicles that Oregon and other U.S. companies can sell to China and committed to significantly lower tariffs on auto parts and autos by up to 75%, helping Ohio's top export industry and its workers. China is Oregon's biggest growth market, in dollar terms. Export shipments to China rose from \$151 million in 1999 to \$575 million in 2003, a 282% increase. Motor vehicles are a top Oregon export, with over \$582 million in 2003 sales abroad.
 - **Expanding markets for Oregon's manufactured goods exported to Australia:** The U.S.-Australia Free Trade Agreement provides immediate benefits for Oregon's manufacturing sectors, including transportation equipment and motor vehicles; computer and electrical equipment; chemicals and machinery manufactures. U.S. industry estimates that, as a result of this agreement, U.S. manufacturing exports to Australia could increase by \$2 billion. Oregon is also the 15th largest exporting state to Australia.
 - **Opening markets in Central America for Oregon's fruit and vegetable farmers.** Under the U.S.-Central American Free Trade Agreement, which

includes the Dominican Republic, Oregon's fruit and vegetables farmers will enjoy immediate duty-free access for a number of products such as apples, pears, cherries, grapes, raisins, tree nuts, and sweet corn. Oregon exported \$704.5 million worth of agriculture products to the world in 2003. As the nation's 6th largest exporter of vegetables and 4th largest exporter of fruit -- exporting some \$247 million -- Oregon stands to benefit greatly from better export opportunities for these goods.

- **Securing Access to the European market for Oregon wheat:** The Administration negotiated an agreement with the European Union that secured access to the EU market for U.S. wheat. Wheat is a top Oregon agricultural export, with some \$104.6 million in sales abroad.
- **Removing Barriers that Hurt Oregon's Exporters:** The Bush Administration's aggressive actions to remove barriers for American exporters are helping Oregon's manufacturers and workers by securing:
 - **Facilitating trade in agricultural goods to Australia.** The U.S.-Australia FTA establishes a new mechanism for scientific cooperation between the U.S. and Australia to resolve bilateral animal and plant health matters early to facilitate trade. This agreement also gives U.S. agriculture tariff-free access to the Australian market.
 - **Duty-free exports for Oregon's information technology industry,** such as semiconductors and computer equipment, sold to Australia, Morocco, Chile, Singapore, Bahrain, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic. Oregon exported \$4.6 billion in computer and electronic products in 2003 -- its top export category.
 - **Reducing barriers for information technology exports:** Following intensive discussions with the U.S., Chinese officials eased burdensome import requirements on information technology products, affording U.S. companies greater access to tariff reductions and eliminations to improve the market for U.S. goods.
 - **Eliminating tariffs and reducing barriers on Oregon's transportation equipment and motor vehicles to Australia, Morocco, Chile, Singapore, Bahrain, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic.** Oregon's transportation industry exported \$1.1 billion in goods to the world, with motor vehicle exports accounting for over half of this amount.
- **Enforcing Trade Laws and Combating Unfair Trade Practices:** The Bush Administration's enforcement of trade laws and vigorous pursuit of allegations of unfair trade have produced real results for Oregon, including:
 - **Ensuring fair access to China for Oregon's semiconductors.** The United States brought the first-ever WTO case against China to ensure fair tax treatment for U.S. semiconductors in China, the world's fastest growing semiconductor market. Within four months, the Chinese agreed to our demands, ensuring Oregon and other exporters fair access to an export market worth over \$2 billion to America's manufacturers and workers. Semiconductors and electronic

products are Oregon's top manufactured export, accounting for \$3.6 billion in exports in 2003.

- **Ensuring fair access to Japan for Oregon's apples.** The United States successfully challenged Japan at the WTO against unfair import restrictions on U.S. apples. U.S. farmers send more than \$390 million worth of world-class apples abroad every year, in particular from Washington State and Oregon. Fruit is Oregon's third largest agricultural export, accounting for \$107.5 million exports.
- **Ensuring Fair Access to India and the Philippines for Oregon's transportation sector.** The Administration successfully challenged India and the Philippines at the WTO against unfair restrictions on imports of U.S. auto parts.
- **Oregon Benefits from the Bush Administration's Trade Promotion Programs:** The Administration actively works with American businesses to promote exports by leveraging the benefits of our international trade agreements. Some of our Oregon export successes include:
 - **Ram Systems LLC, Jefferson, OR,** a manufacturing and services company, made its first export sale to Canada in 2003 and a recent export to Australia after the Administration helped them develop a comprehensive export marketing plan to target potential markets.
 - **Shirts and Skins, Portland, OR,** a small minority-owned company that designs and produces sportswear and footwear for basketball, completed a sale to Australia worth approximately \$500, after receiving assistance from the Administration.

¹ USTR:

² DOC: Origin of Movement State Export Series, Census Bureau